



**Director of
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Intelligence**

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USSR: Chernenko's Speech

General Secretary Chernenko's speech yesterday stressed policy continuity but also appeared to reflect his personal views and style in its commitment to the Soviet consumer and nonpolemic approach to Soviet-US relations. []

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Chernenko's remarks on foreign affairs focused on Soviet-US relations. He said "both sides" should make a major step on INF. He modified Andropov's precondition for resuming the INF negotiations, claiming that the US had created obstacles to the talks with its deployment of Pershing II missiles, and he said the removal of these "obstacles" could open the way to a mutually acceptable accord. []

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The Soviet leader also cited a list of arms control issues on which he said the US could demonstrate its peaceful intentions. These included nuclear test ban treaties, demilitarization of outer space, a nuclear freeze, and chemical warfare. He claimed that conditions for an accord on the last issue are "beginning to ripen," and he said an agreement on these matters could spark a "drastic" change in Soviet-US relations. []

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Chernenko pledged to follow through on major domestic changes launched under Andropov. He said, however, that the "complicated" international situation had "compelled" Moscow to divert resources to defense, but he placed great emphasis on providing better consumer goods and quality foods. []

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He also endorsed Andropov's discipline campaign and warned that the drive against corruption was not temporary. In addition, he committed himself to ongoing experiments in economic management and called for shifting some responsibilities from central planners to local officials. []

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Press reports indicate that Chernenko's delivery was poor. When he began to discuss relations with the US, he skipped a key passage that TASS subsequently had to add to its account. []

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Comment: Chernenko's tone on relations with the US was critical but pragmatic, particularly in comparison with speeches by senior officials during Andropov's final months and Gromyko's speech of 27 February. He generally skirted the tough START and INF issues, contending instead that the path to improved US-Soviet relations now

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contending instead that the path to improved US-Soviet relations now lies in a US initiative on one of the less contentious arms control issues, particularly chemical warfare. [REDACTED]

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By touching on all key domestic and foreign policy issues, Chernenko has burnished his leadership image, and the speech is likely to become the basis of Soviet commentary. His poor delivery, however, will embarrass some Soviets and may intensify the disdain for his abilities reportedly felt by some in the national security apparatus. [REDACTED]

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His remarks suggest he is not eager to increase defense spending. This contrasts with the high priority accorded defense in recent speeches by others, notably Defense Minister Ustinov and Foreign Minister Gromyko. [REDACTED]

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By endorsing the discipline and anticorruption issues, Chernenko probably was anticipating suspicions among Soviet officials that he might backtrack from the campaign. He is unlikely, however, to pursue these policies with as much vigor as Andropov, because his support appears to rest largely with groups that fear these policies. [REDACTED]

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IRAN-IRAQ: Iraqi Defenses Hold*The Iranian attacks on Thursday and Friday appear to have failed.*

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[redacted] Iraqi forces retook some ground northeast of Al Basrah. The Iranians, however, continue to hold some territory seized earlier this week in the marshes farther north. [redacted] Iraq has not committed the two armored divisions it is holding in reserve south of the battle area. [redacted]

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The Iraqis claim to have killed 19,000 Iranian troops yesterday. [redacted]

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Comment: The Iranians appear to be holding their regular forces in reserve for the main attack while they use irregulars to probe for weak areas. They may make additional attacks before launching their offensive. [redacted]

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Persian Gulf

Iraq's claim that it attacked eight ships near Bandar-e Khomevni on Thursday has not been confirmed. [redacted]

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LEBANON: Impending Abrogation of the Accord

President Gemayel probably will announce the abrogation of the Lebanese-Israeli accord in the next few days. []

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[] the Christian Lebanese Forces militia has decided not to take any action against Gemayel until the results of his trip to Damascus are known. Druze leader Junblatt and Shia chief Barri were summoned to Damascus yesterday for talks with Syrian leaders. []

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Press reports state that other Lebanese opposition leaders also are expected to go to Damascus. Junblatt is continuing to insist that Gemayel step down as President and is threatening to boycott any reconciliation talks. []

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Comment: Threats by the Lebanese Forces against Gemayel before his trip to Damascus probably were intended as a warning to Syria and Gemayel that many Christians would not accept capitulation to all of Syria's demands. Although Christian hardliners remain opposed to canceling the agreement, they may be reluctant to move against the legitimate executive authority in Lebanon. []

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Syrian leaders probably are taking a tough line with Lebanese opposition leaders in Damascus in an effort to strengthen the position of the beleaguered Lebanese Government and reassure the Christian community. The Druze and Shias are likely to worry that Damascus will defend Christian privileges, as it did in 1976. They probably will threaten to boycott reconciliation talks, hoping to persuade Syria to let them keep what they have gained. []

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USSR-INDIA: Ustinov's Visit

Soviet Defense Minister and Politburo member Ustinov arrives in India on Monday hoping to help strengthen Prime Minister Gandhi's political standing and promote closer bilateral military cooperation.

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Ustinov originally was to visit India in place of the ailing Andropov, but his trip was postponed when Andropov died.

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Indian press reports state that Ustinov will meet Gandhi and visit factories where Soviet MIG-27s and T-72 tanks are to be produced under license.

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Comment: The prompt rescheduling of the trip, the prominent treatment accorded Gandhi at Andropov's funeral, and Chernenko's decision to ignore Pakistani President Zia reflect the new Soviet leadership's continued commitment to maintaining close ties with New Delhi. This trip, Ustinov's second in two years, probably will be more useful for Moscow in developing closer relations. In 1982 Gandhi was intent on improving relations with China and the West and deliberately played down Ustinov's first visit.

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Gandhi's desire to win over domestic leftist opponents and her concern about a possible threat resulting from instability in Pakistan and Sri Lanka apparently are making her more interested in closer ties with the USSR. Ustinov is likely to try to capitalize on this interest and again urge broader military cooperation.

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The Prime Minister may be interested in intelligence cooperation. She probably will not agree, however, to renewed Soviet requests for joint military exercises or access to air and naval facilities.

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NETHERLANDS: Prospects for INF Basing

The Dutch Government may propose reducing the number of cruise missiles it will station, hoping this will help secure parliamentary support for INF. []

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Dutch press reports increasingly speculate that The Hague will recommend reducing the number of INF cruise missiles that it will base from 48 missiles to either 32 or 16. Last weekend the Christian Democratic parliamentary leader indicated that the Dutch would not support full deployment but would accept fewer cruise missiles. []

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The US Embassy in Brussels comments that any change in deployment in the Netherlands could jeopardize full deployment in Belgium. The US Embassy in Rome believes there would be little impact in Italy. []

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Comment: Prime Minister Lubbers is unlikely to decide how to proceed until he reviews Foreign Minister Van Den Broek's report on his visit to Washington this week. The Hague probably believes reducing deployment might be a compromise that would be acceptable to NATO, hold the Christian Democrats together, and placate the other coalition partners who favor deployment. []

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The Belgian Government almost certainly would demand similar reductions if the Dutch plan were accepted by NATO. A Dutch reduction also would rekindle the INF debate in other basing countries but probably would not spark immediate demands from Bonn, London, and Rome for similar cuts. []

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LIBYA-CHAD: Campaign Against Habre

Libyan leader Qadhafi is supporting new efforts by Chadian dissidents to weaken the regime of President Habre and is preparing the Libyan people for a widened campaign. [redacted]

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Senior Chadian and French military officials in N'Djamena say Libyan-backed rebels are intensifying their drive to undermine Habre's authority in the south. [redacted]

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The US defense attache in Cameroon says the French expect more serious clashes in southern Chad as Habre moves to curtail dissident activity there. The French reportedly have orders not to intervene in civil strife in the south. [redacted]

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The Libyan press is treating Chad's failure to gain backing at the OAU ministerial meeting last Monday as a major political setback for Habre. Meanwhile, Qadhafi urged Libyans in a recent speech to prepare to challenge the French in Chad. [redacted]

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Comment: The Libyans probably will sponsor increased operations by dissidents soon that could prompt a clash between Libyan and French forces. Intensified dissident and terrorist activity in southern Chad is likely to overextend Habre's forces and make them more vulnerable in other areas. The reported decision by Paris not to help Habre in the south reflects French concern to be seen only as defending Chad from external interference. [redacted]

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Qadhafi believes the US wants to use Chad as a base for subversion against his regime. Recent successes of Libyan-supported groups in Lebanon and Sudan probably have increased his confidence that he can promote a pro-Libyan regime in N'Djamena. [redacted]

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EL SALVADOR: Election Maneuvering

The major parties are increasing their efforts to arrange informal alliances, apparently in the expectation that the presidential election on 25 March will require a runoff between the top two finishers.

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Earlier, D'Aubuisson was unable to form a coalition with two small conservative parties. Nevertheless, the US Embassy reports that he is optimistic that an agreement among rightists eventually will emerge.

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Comment: All three major parties continue to profess confidence that they will win a majority in the first round of balloting. Their efforts to reach political alliances suggest, however, that they recognize that a runoff appears increasingly likely.

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If a second round is necessary, the support of the National Conciliationists probably will be crucial for D'Aubuisson's chances. Their backing, however, presumably would be less important for the Christian Democrats. Conciliationist candidate Guerrero now appears more sympathetic to the Christian Democrats, but any final arrangement would be determined largely by the votes he wins in the first round.

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CANADA-US: Energy Relations

The suspicion in Ottawa that the US Government intends to interfere in domestic energy policy could become an election issue detrimental to the Progressive Conservatives. [redacted]

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Energy Minister Chretien has reacted angrily to Canadian press reports that Washington is considering blocking imports of Nova Scotian gas if Ottawa acts to exercise the "crown share" provision of the National Energy Program. This allows the government to assume a 25-percent interest in any oil or gas field under its jurisdiction. Chretien made clear that he knew of no US intention to link the issues but added that he would consider such linkage to be blackmail. [redacted]

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Since the National Energy Program was introduced in 1980, its goal of "Canadianizing" the energy industry has won widespread support, and the government has stressed the central importance of the crown share as an instrument of Canadian control. Nova Scotia, where the crown share provision probably will be used first, is a depressed region that particularly needs the jobs and revenues from offshore gas projects. [redacted]

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Comment: If Ottawa were to conclude the US wants to force it to abrogate the provision by holding Nova Scotian gas imports hostage, the Liberals would be likely to make it an issue in the next general election. They would portray themselves as protecting Canadian sovereignty. [redacted]

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The Progressive Conservatives are now favored to win the next election, but they would be hard pressed to maintain their pro-US position on most energy matters without appearing to be subservient to Washington. Although the Tories have indicated their willingness to eliminate the crown share provision, they probably would be unable to voice this goal during an election campaign featuring Liberal charges of US interference. [redacted]

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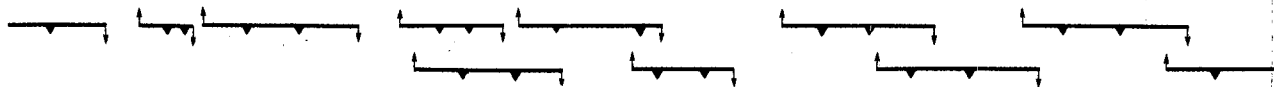
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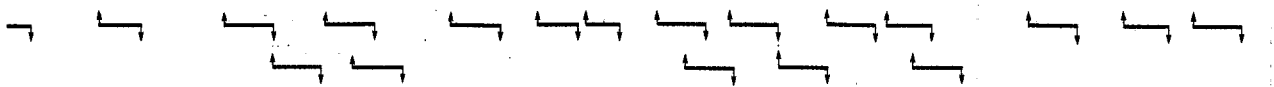
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Soviet Photoreconnaissance Activity, 1983

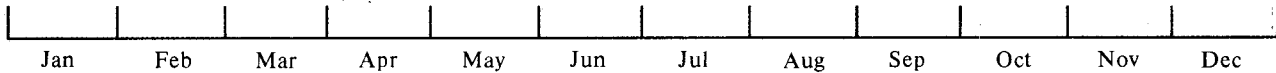
Second Generation High Resolution



Medium Resolution



Electro Optical Sensor



- ↑ Satellite Launch
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USSR-POLAND: Moscow Urging Trial of Activists

The Soviets appear to be pushing the Polish regime to move ahead with the trial of 11 senior Solidarity activists. A Radio Moscow broadcast in Polish on Wednesday said the trial was "due shortly" and singled out three of the activists for plotting to overthrow Poland's socialist system. Warsaw has sought to avoid a political trial, according to the US Embassy, and has been negotiating with the Catholic Church for release of the prisoners. [redacted]

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Comment: The broadcast may be designed to underscore longstanding Soviet concern about Polish procrastination in this matter and about the progress of the church-state negotiations. A trial or an extended delay in resolving this issue could interrupt the progress of talks on the church's program to aid private agriculture and on expanding diplomatic ties with the Vatican. [redacted]

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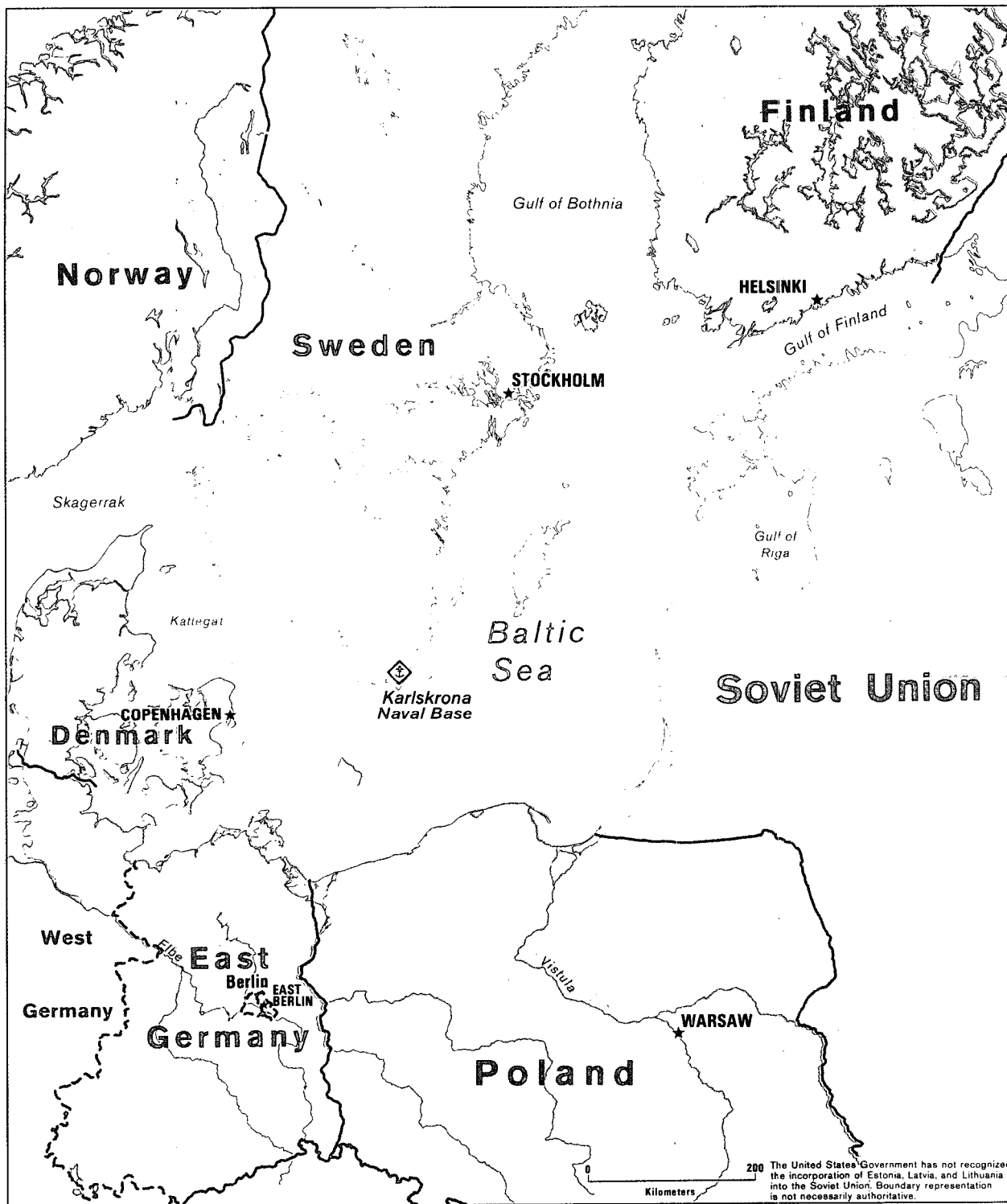
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SWEDEN: Submarine Hunt Continues

Sweden's hunt for one or more intruding submarines is entering its fourth week in and around the sealed-off Karlskrona archipelago. The US defense attache reports that the Navy still believes it has trapped a foreign underwater vehicle. The search for it has involved at least two submarines, five ASW helicopters, three missile attack boats, two minesweepers, and other vessels and aircraft, according to the attache. The Navy is being aided by Army, Coast Guard, Coast Artillery, and Security Police personnel, some of whom, the press reports, are investigating sightings of unauthorized individuals on two islands in the archipelago. []

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Comment: The Swedes claim they have more frequent and sustained indications of intruders than in previous searches, but they have not revealed what evidence they have. Intense publicity has increased pressure on the Navy to produce an intruding vessel or risk a loss of credibility. The Navy is using depth charges and mines to try to bring the intruder to the surface. It also may use reduced-charge homing torpedoes. []

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UK: Labor Leftist Wins Byelection

The return to Parliament of Tony Benn, the leading spokesman of the Labor Party's extreme left, almost certainly will heighten divisions in the party. Benn was elected Thursday with 47 percent of the votes in the byelection in Chesterfield. The Social Democratic-Liberal Alliance received 35 percent of the votes. The Conservatives, who conceded that they had virtually no chance of winning, took 15 percent. Benn had lost his parliamentary seat in Prime Minister Thatcher's landslide victory last June. []

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Comment: The Labor Party has been striking a more moderate course, especially on domestic issues, under Neil Kinnock's leadership. A recent national poll indicates that the party has edged ahead of the Tories for the first time since the fighting in the Falklands, suggesting that Kinnock's efforts have recaptured some of the popular support Labor lost when it veered to the left. Benn, however, is backed by many activists in the party, and he will try to keep Kinnock loyal to unilateral disarmament and other leftist policies. Thatcher probably is pleased with Benn's victory because she can claim that the Labor Party continues to be dominated by extremists. []

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USSR: Winter Grain Outlook

Weather data [] show that the winter grain region in the USSR is experiencing favorable growing conditions for the second consecutive year. Temperatures from mid-December through mid-February averaged slightly above normal, soil moisture generally has been adequate, and a protective snow cover now exists in most areas. []

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Comment: Below-normal winterkill, combined with a slightly larger sown area, indicates that prospects are good for the winter grain crop. Winter grains, however, are susceptible to winterkill until mid-April. They usually represent nearly one-third of total Soviet grain production. []

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USSR: Reprocessing of Nuclear Fuel

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[] The USSR has now reprocessed more spent fuel from civilian power reactors than any other nation. The Soviets have not officially acknowledged that any facility reprocesses power reactor fuel, in order to avoid having to answer questions about the quantity of plutonium recovered and its disposition. []

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Comment: The Soviets probably will use recovered plutonium as fuel for their prototype fast breeder reactors, and it could be used in their weapons program. Military use of this fuel would not violate international agreements. Finland and some East European countries, however, have contractual obligations to purchase nuclear fuel from the USSR and to return the spent fuel to the Soviets. They would be likely to protest making military use of the civilian nuclear power program. []

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